

810-8-5-.08 Bond Continuation Certificate for New Motor Vehicle Dealers, Used Motor Vehicle Dealers, Motor Vehicle Reconditioners, Motor Vehicle Rebuilders, or Motor Vehicle Wholesalers. (REPEALED)

(1) PURPOSE: Section 40-12-398, Code of Ala. 1975, requires new motor vehicle dealers, used motor vehicle dealers, motor vehicle reconditioners, motor vehicle rebuilders, and motor vehicle wholesalers to provide a new bond or proper continuation certificate at the beginning of each license year. This rule establishes the form of a proper continuation certificate to be filed in lieu of a new bond with the application for license.

(2) ACCEPTANCE OF CONTINUATION CERTIFICATE: A proper continuation certificate will be accepted, provided:

(a) Applicant was licensed and in good standing in the previous license year.

(b) Applicant has previously provided an original bond form in accordance with Rule 810-8-5-.07 and a proper continuation certificate for each intervening license year. There can be no lapse in bond coverage since the original bond was presented to the Department.

(c) The continuation certificate is in the form as prescribed in the Appendix.

(3) PRESCRIBED FORM: The continuation form shall be in the form as prescribed in the appendix and the surety company shall provide the following information:

(a) The name of the surety company providing coverage.

(b) The bond number as assigned on the original bond form.

(c) The dollar amount of the extended bond coverage.

(d) The true legal name of the party for whom a continuation certificate is being furnished, as follows:

(i) If an individual, the applicant's name as well as the business name.

(ii) If a partnership, the names of all partners and the name of the partnership.

(iii) If a limited liability company, the names of all members and the name of the company.

(iv) If a corporation, the corporate name.

(e) The effective date and the expiration date of the extended coverage. (See Section 4)

(f) The issue date of the continuation certificate.

(4) COVERAGE PERIOD: The extended coverage may not be for a period of more than one year. It must not begin prior to October 1 and must expire on September 30 of the same license year.

(5) ORIGINAL CONTINUATION CERTIFICATE REQUIREMENTS: The continuation certificate must contain the original signature of an authorized agent of the surety company, or the original seal of the surety company. The agent's copy will not be accepted.

(6) SURETY COMPANY'S FORM: A Surety Company may use its own form, provided:

(a) The Surety does not alter or change any terms or conditions of the original bond. An example of an unacceptable alteration would be changing the amount of bond coverage for each license year.

(b) The surety company provides all required information.

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Authority: Sections 40-2A-7(a)(5) and 40-12-398, Code of Alabama 1975
History: New rule: Filed January 17, 2003, effective February 21, 2003.